

Exhibit 1

DIP Credit Agreement Amendment

**FIRST AMENDMENT TO SENIOR SECURED SUPER-PRIORITY PRIMING TERM LOAN
DEBTOR-IN-POSSESSION CREDIT AGREEMENT**

This **FIRST AMENDMENT TO SENIOR SECURED SUPER-PRIORITY PRIMING TERM LOAN DEBTOR-IN-POSSESSION CREDIT AGREEMENT**, dated as of December [•], 2024 (this “**Amendment**”), among FRANCHISE GROUP, INC., a Delaware corporation (the “**Lead Borrower**”), FRANCHISE GROUP NEWCO PSP, LLC, a Delaware limited liability company (“**FG Newco PSP**”), VALOR ACQUISITION, LLC, a Delaware limited liability company (“**Valor**”), FRANCHISE GROUP NEWCO INTERMEDIATE AF, LLC, a Delaware limited liability company (“**FG Newco Intermediate AF**”), and together with the Lead Borrower, FG Newco PSP and Valor, individually and collectively, the “**Borrower**”), certain affiliates of the Lead Borrower party hereto, each of the Lenders party hereto (constituting Required Lenders), and acknowledged by Wilmington Trust, National Association (“**WTNA**”), in its capacity as administrative agent (in such capacity, the “**Administrative Agent**”), which amends that certain Senior Secured Super-Priority Priming Term Loan Debtor-In-Possession Credit Agreement, dated as of November 7, 2024 (as modified by that certain Limited Consent to Senior Secured Super-Priority Priming Term Loan Debtor-in-Possession Credit Agreement, dated as of November 27, 2024, and as otherwise amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof in accordance with the terms thereof, the “**Existing DIP Credit Agreement**”; and as further amended by this Amendment, the “**Amended DIP Credit Agreement**”), among each Borrower, the Guarantors from time to time party thereto, each Lender from time to time party thereto, the Administrative Agent and the Collateral Agent. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Amended DIP Credit Agreement.

WHEREAS, the Lead Borrower and Lenders party hereto desire to enter into this Amendment in order to effect the amendments to the Existing DIP Credit Agreement contemplated herein, in each case, on the terms and subject to the conditions set forth in Section 2 hereof.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendments to the Existing DIP Credit Agreement. Subject to the satisfaction (or waiver by the Required Lenders) of the conditions set forth in Section 2 hereof:

(a) Section 1.01 of the Existing DIP Credit Agreement is hereby amended by adding the following new defined terms in appropriate alphabetical order:

“Cash Collateral” shall have the meaning assigned to such term in the Orders.

“DIP Liens” shall have the meaning assigned to such term in the Orders.

“Final Funding Roll-Up Date” has the meaning specified in Section 2.01(b)(2)(iii).

“Final Funding Roll-Up Term Loans” has the meaning specified in Section 2.01(b)(2)(iii).

“Freedom Holdco Debtors” means Holdco Borrower and Holdco Intermediate Parent.

“Second Borrowing Cap” means \$75,000,000.

“Second Funding Roll-Up Date” has the meaning specified in Section 2.01(b)(2)(ii).

“Second Funding Roll-Up Term Loans” has the meaning specified in Section 2.01(b)(2)(ii).

“Second Initial Roll-Up Date” has the meaning specified in Section 2.01(b)(2)(i).

“Second Initial Roll-Up Term Loans” has the meaning specified in Section 2.01(b)(2)(i).

“Unencumbered Property” has the meaning assigned to such term in the Orders.

(b) Section 1.01 of the Existing DIP Credit Agreement is hereby amended by amending and restating the following defined terms in their entirety:

“Final Borrowing Cap” means \$75,000,000.

“Roll-Up Term Loans” means, collectively, the Initial Roll-Up Term Loans, the Second Initial Roll-Up Term Loans, the Second Funding Roll-Up Term Loans and the Final Funding Roll-Up Term Loans.

(c) Section 1.01 of the Existing DIP Credit Agreement is hereby amended by deleting the first sentence of the final paragraph of “Collateral and Guarantee Requirement” and replacing it in its entirety as follows:

“For the avoidance of doubt, the Freedom Holdco Debtors shall only be Guarantors under this Agreement to the extent required by Section 10.11 and shall secure the Secured Obligations under this Agreement and the Orders by DIP Liens on Unencumbered Property at the Freedom Holdco Debtors.”

(d) Section 1.01 of the Existing DIP Credit Agreement is hereby amended by deleting the following defined term in its entirety: “Interim Borrowing Cap”.

(e) Section 2.01(a) of the Existing DIP Credit Agreement is hereby amended and restated in its entirety as follows:

“(a) New Money Term Loans. Subject to the terms and conditions hereof and the Orders, the Lenders with New Money Term Loan Commitments (which, as of the Effective Date, will be the Fronting Lender) hereby severally, but not jointly, agree to make term loans in Dollars (the “New Money Term Loans”) to the Borrower: (i) on the Effective Date, in a single borrowing in an aggregate principal amount equal to the Initial Borrowing Cap, (ii) no earlier than entry of the Final DIP Order, in a single borrowing in an aggregate principal amount equal to the Second Borrowing Cap as set forth in the Approved Budget and subject to the approval of the Required Lenders and (iii) no later than the Plan Effective Date (as defined in the Restructuring Support Agreement), in a single borrowing in an aggregate principal amount equal to the Final Borrowing Cap as set forth in the Approved Budget and subject to the approval of the Required Lenders; it being understood and agreed that the Fronting Lender shall initially provide the New Money Term Loans on the date set forth in the foregoing clause (i) and, thereafter, such New Money Term Loans and related New Money Term Loan Commitments shall be assigned by the Fronting Lender in accordance with Section 2.04 and Section 9.04. In no event shall any Lender be required to make New Money Term Loans in excess of its New Money Term Loan Commitments. Amounts borrowed under this Section 2.01(a) and subsequently repaid or prepaid may not be reborrowed.”

(f) Section 2.01(b)(1) of the Existing DIP Credit Agreement is hereby amended by (i) deleting the phrase “up to” set forth in such Section and (ii) deleting the phrase “Roll-Up Term Loans” set forth in such Section and replacing with “Initial Roll-Up Term Loans (as defined below)”.

(g) Section 2.01(b)(2) of the Existing DIP Credit Agreement is hereby amended and restated in its entirety as follows:

“(2) Subsequent Roll-Up Term Loans.

(i) Second Initial Roll-Up Term Loans. Subject to the terms and conditions of the Final DIP Order and this Agreement, effective immediately upon entry of the Final DIP Order (such date, the “Second Initial Roll-Up Date”), and without any further action by any party to this Agreement or the Loan Documents, the Bankruptcy Court or any other Person (i) \$100,000,000 of Prepetition Senior Priority Loans (together with accrued and unpaid interest thereon) held by the Lenders party hereto (or any of their respective designated Approved Funds) as of the Syndication Date that are Prepetition Senior Priority Secured Parties shall be, on the Second Initial Roll-Up Date, automatically deemed (on a cashless basis of one dollar of Second Initial Roll-Up Term Loans (as defined below) for every dollar of the principal amount of New Money Term Loans funded on or prior to the Syndication Date (i.e., \$100,000,000)), to constitute U.S. Dollar-denominated term loans under this Agreement (the “Second Initial Roll-Up Term Loans”), which shall be allocated such that each Lender (or any of their respective designated Approved Funds) shall receive its pro rata share of the aggregate amount of Second Initial Roll-Up Term Loans based upon each such Person’s (or any of their respective designated Approved Funds) pro rata share of principal amount of New Money Term Loans funded on or prior to the Syndication Date, which Second Initial Roll-Up Term Loans shall be due and payable in accordance with the terms and conditions set forth in this Agreement as if originally funded hereunder on the Effective Date and (ii) effective immediately on the Second Initial Roll-Up Date as of the Effective Date, the outstanding aggregate amount of the Prepetition Senior Priority Loans held by each such Lender (or any of its designated Approved Funds that is an Eligible Assignee) shall be automatically and irrevocably deemed reduced by such amount of Second Initial Roll-Up Term Loans allocated to each such Lender (or any of its designated Approved Funds that is an Eligible Assignee). On or about the Second Initial Roll-Up Date, a supplement to Schedule 2.01, which shall be prepared by the Lender Professionals, shall be delivered to the Administrative Agent and the Borrower, which shall set forth the aggregate amount of Second Initial Roll-Up Term Loans held by each Lender on the Second Initial Roll-Up Date. The Administrative Agent (i) shall be entitled to conclusively rely on the supplement to Schedule 2.01 prepared by the Lender Professionals without investigation, (ii) shall incur no liability for acting in reliance upon such supplement to Schedule 2.01 delivered to it by the Lender Professionals, and (iii) is hereby directed by the Borrower and the Lenders to update the Register to reflect the Lender allocations set forth in such supplement to Schedule 2.01. Schedule 2.01 shall thereby be deemed amended and supplemented notwithstanding any other provision of this Agreement.

(ii) Second Funding Roll-Up Term Loans. Subject to the terms and conditions of the Final DIP Order and this Agreement, effective immediately upon the funding of the borrowing described in Section 2.01(a)(ii) (such date, the “Second Funding Roll-Up Date”), and without any further action by any party to this Agreement or the Loan Documents, the Bankruptcy Court or any other Person (i) \$150,000,000 of Prepetition Senior Priority Loans (together with accrued and unpaid interest thereon) held by the

Lenders party hereto (or any of their respective designated Approved Funds) as of the Second Funding Roll-Up Date that are Prepetition Senior Priority Secured Parties shall be, on the Second Funding Roll-Up Date, automatically deemed (on a cashless basis of two dollars of Second Funding Roll-Up Term Loans (as defined below) for every dollar of the principal amount of New Money Term Loans funded pursuant to Section 2.01(a)(ii) (i.e., \$75,000,000)), to constitute U.S. Dollar-denominated term loans under this Agreement (the “Second Funding Roll-Up Term Loans”), which shall be allocated such that each Lender (or any of their respective designated Approved Funds) shall receive its pro rata share of the aggregate amount of Second Funding Roll-Up Term Loans based upon each such Person’s (or any of their respective designated Approved Funds) pro rata share of principal amount of New Money Term Loans funded pursuant to Section 2.01(a)(ii), which Second Funding Roll-Up Term Loans shall be due and payable in accordance with the terms and conditions set forth in this Agreement as if originally funded hereunder on the Second Funding Roll-Up Date and (ii) from and after the Second Funding Roll-Up Date, the outstanding aggregate amount of the Prepetition Senior Priority Loans held by each such Lender (or any of its designated Approved Funds that is an Eligible Assignee) shall be automatically and irrevocably deemed reduced by such amount of Second Funding Roll-Up Term Loans allocated to each such Lender (or any of its designated Approved Funds that is an Eligible Assignee). On or about the Second Funding Roll-Up Date, a supplement to Schedule 2.01, which shall be prepared by the Lender Professionals, shall be delivered to the Administrative Agent and the Borrower, which shall set forth the aggregate amount of Second Funding Roll-Up Term Loans held by each Lender on the Second Funding Roll-Up Date. The Administrative Agent (i) shall be entitled to conclusively rely on the supplement to Schedule 2.01 prepared by the Lender Professionals without investigation, (ii) shall incur no liability for acting in reliance upon such supplement to Schedule 2.01 delivered to it by the Lender Professionals, and (iii) is hereby directed by the Borrower and the Lenders to update the Register to reflect the Lender allocations set forth in such supplement to Schedule 2.01. Schedule 2.01 shall thereby be deemed amended and supplemented notwithstanding any other provision of this Agreement.

(iii) Final Funding Roll-Up Term Loans. Subject to the terms and conditions of the Final DIP Order and this Agreement, effective immediately upon the funding of the borrowing described in Section 2.01(a)(iii) (such date, the “Final Funding Roll-Up Date”), and without any further action by any party to this Agreement or the Loan Documents, the Bankruptcy Court or any other Person (i) equal to \$150,000,000 of Prepetition Senior Priority Loans (together with accrued and unpaid interest thereon) held by the Lenders party hereto (or any of their respective designated Approved Funds) as of the Final Funding Roll-Up Date that are Prepetition Senior Priority Secured Parties shall be, on the Final Funding Roll-Up Date, automatically deemed (on a cashless basis of two dollars of Final Funding Roll-Up Term Loans (as defined below) for every dollar of principal amount of New Money Term Loans funded pursuant to Section 2.01(a)(iii) (i.e., \$75,000,000)), to constitute U.S. Dollar-denominated term loans under this Agreement (the “Final Funding Roll-Up Term Loans”), which shall be allocated such that each Lender (or any of their respective designated Approved Funds) shall receive its pro rata share of the aggregate amount of Final Funding Roll-Up Term Loans based upon each such Person’s (or any of their respective designated Approved Funds) pro rata share of principal amount of the borrowing described in Section 2.01(a)(iii), which Final Funding Roll-Up Term Loans shall be due and payable in accordance with the terms and conditions set forth in this Agreement as if originally funded hereunder on the Final Roll-Up Date and (ii) from and after the Final Roll-Up Date, the outstanding aggregate amount of the Prepetition Senior Priority Loans held by each such Lender (or any of its designated Approved Funds that is

an Eligible Assignee) shall be automatically and irrevocably deemed reduced by such amount of Final Funding Roll-Up Term Loans allocated to each such Lender (or any of its designated Approved Funds that is an Eligible Assignee). On or about the Final Funding Roll-Up Date, a supplement to Schedule 2.01, which shall be prepared by the Lender Professionals, shall be delivered to the Administrative Agent and the Borrower, which shall set forth the aggregate amount of Final Funding Roll-Up Term Loans held by each Lender on the Final Funding Roll-Up Date. The Administrative Agent (i) shall be entitled to conclusively rely on the supplement to Schedule 2.01 prepared by the Lender Professionals without investigation, (ii) shall incur no liability for acting in reliance upon such supplement to Schedule 2.01 delivered to it by the Lender Professionals, and (iii) is hereby directed by the Borrower and the Lenders to update the Register to reflect the Lender allocations set forth in such supplement to Schedule 2.01. Schedule 2.01 shall thereby be deemed amended and supplemented notwithstanding any other provision of this Agreement.”

(h) Section 2.03 of the Existing DIP Credit Agreement is hereby amended by (i) replacing the phrase “on the date of” as set forth in clause (b) therein with “three (3) Business Days prior to” and (ii) inserting “(provided that such borrowing may be conditioned on the occurrence of certain events (including, but not limited to, obtaining any approval (including from the Bankruptcy Court), obtaining a waiver from any Person, or the approval of an Updated Budget))” at the end of the second sentence of such Section.

(i) Article X of the Existing DIP Credit Agreement is hereby amended by adding the following new Section 10.11:

Section 10.11 Freedom Holdco Debtors. Notwithstanding anything to the contrary herein, to the extent any Cash Collateral or proceeds of this Agreement is required to be transferred to, or otherwise used to make payments on behalf of, the Freedom Holdco Debtors to fund the Freedom Holdco Debtors’ ongoing administrative expenses, (x) the Freedom Holdco Debtors shall be deemed to be Loan Parties as Guarantors, on a joint and several basis, of this Agreement under the Interim DIP Order and the Final DIP Order, solely for a principal amount equal to the aggregate amount of proceeds of this Agreement and/or Cash Collateral used by, or for the benefit of, the Freedom Holdco Debtors (it being understood and agreed that the Freedom Holdco Debtors will not be liable in respect of interest, fees, indemnities or other liabilities of any kind in respect of such principal amount or otherwise), and (y) the claims of any Secured Party against the Freedom Holdco Debtors for any such transfers or payments shall (i) be treated as superpriority administrative expense claims, which shall have priority over any and all administrative expenses and claims, including, without limitation, administrative expense claims specified in or ordered pursuant to Bankruptcy Code sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503, 506, 507(a), 507(b), 546, 552, 726, 1113 and 1114, and any other provision of the Bankruptcy Code, subject only to the Carve-Out, and (ii) shall be secured by DIP Liens on Unencumbered Property at the Freedom Holdco Debtors.

(j) Schedule 6.17 of the Existing DIP Credit Agreement is hereby amended and restated in its entirety with Schedule 6.17 attached hereto. Schedule 6.17 attached hereto shall be deemed to be attached as Schedule 6.17 to the Existing DIP Credit Agreement as of the First Amendment Effective Date.

Section 2. Conditions to Effectiveness. The effectiveness of this Amendment is subject only to the satisfaction (or waiver by the Required Lenders) of the following conditions precedent (the date on

which such conditions have been satisfied (or waived by the Required Lenders), the “**First Amendment Effective Date**”):

(a) The parties hereto (or their counsel) shall have received executed counterparts of this Amendment from each Loan Party, the Administrative Agent and each of the Lenders party hereto.

(b) The Bankruptcy Court shall have entered into the Final DIP Order, which Final DIP Order shall be in full force and effect and shall not have been reversed, vacated or stayed, and shall not have been amended, supplemented or otherwise modified without the prior written consent of the Required Lenders.

Section 3. Counterparts. This Amendment and each other Loan Document may be executed in one or more counterparts (and by different parties hereto in different counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by telecopier or other electronic transmission of an executed counterpart of a signature page to this Amendment and each other Loan Document shall be effective as delivery of an original executed counterpart of this Amendment and such other Loan Document.

Section 4. Governing Law, Jurisdiction and Waiver of Right to Trial by Jury. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. The jurisdiction, service of process, and waiver of right to trial by jury provisions in Sections 9.09 and 9.10 of the Existing DIP Credit Agreement are incorporated herein by reference *mutatis mutandis*.

Section 5. Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 6. Effect of Amendment.

(a) On and after the date hereof, each reference in the Existing DIP Credit Agreement to “*this Agreement*”, “*hereunder*”, “*hereof*” or words of like import referring to the Existing DIP Credit Agreement, and each reference in the other Loan Documents to the “*Credit Agreement*”, “*thereunder*”, “*thereof*” or words of like import referring to the Existing DIP Credit Agreement, mean and are a reference to the Existing DIP Credit Agreement as modified by this Amendment.

(b) Except as expressly amended hereby, all of the terms and provisions of the Existing DIP Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed. In furtherance of the foregoing, each of the Loan Parties party hereto hereby irrevocably and unconditionally ratifies its grant of security interest and pledge under the Security Agreement and each Loan Document and confirms that the liens, security interests and pledges granted thereunder continue to secure the Obligations, including, without limitation, any additional Obligations resulting from or incurred pursuant to this Amendment.

(c) Each of the Loan Parties as debtor, grantor, mortgagor, pledgor, guarantor, assignor, or in other any other similar capacity in which such Loan Party grants liens or security interests in its property or otherwise acts as accommodation party, guarantor or indemnitor, as the case may be, hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party, (ii) ratifies and reaffirms each grant of a lien on, or security interest in, its property made pursuant to the Loan Documents and confirms that such liens and security interests continue to secure the Obligations under the Loan Documents, in each case subject to the terms thereof, and (iii) in the case of each Guarantor, ratifies and reaffirms its guaranty of the Obligations

pursuant to the Loan Documents. The execution of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or Lenders, constitute a waiver of any provision of any of the Loan Documents or serve to effect a novation of the Secured Obligations.

(d) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under, the Existing DIP Credit Agreement, the Amended DIP Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Existing DIP Credit Agreement and the Amended DIP Credit Agreement.

Section 7. No Novation. By its execution of this Amendment, each of the parties hereto acknowledges and agrees that the terms of this Amendment do not constitute a novation, but, rather, a supplement of a pre-existing indebtedness and related agreement, as evidenced by the Amended DIP Credit Agreement.

Section 8. Ratification and Affirmation; Representations and Warranties. Each Loan Party hereby: (a) acknowledges the terms of this Amendment; (b) ratifies and affirms its obligations, and acknowledges, renews and extends its continued liability, under each Loan Document to which it is a party and agrees that each Loan Document to which it is a party remains in full force and effect, as modified hereby (subject to subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law); and (c) agrees that from and after the First Amendment Effective Date, each reference to the Existing DIP Credit Agreement in the Loan Documents shall be deemed to be a reference to the Amended DIP Credit Agreement.

Section 9. No Defenses. The Borrower has no defenses to payment, counterclaims, or rights of setoff with respect to the Loans or any other Secured Obligations existing as of the First Amendment Effective Date.

Section 10. Review and Construction of Documents. Each Loan Party hereby acknowledges, represents, and warrants to the Administrative Agent and the Lenders that (a) the Borrower and the other Loan Parties have had the opportunity to consult with legal counsel of their own choice and have been afforded an opportunity to review this Amendment with their legal counsel, (b) the Borrower and the other Loan Parties have reviewed this Amendment and fully understand the effects thereof and all terms and provisions contained herein, and (c) the Borrower and the other Loan Parties have executed this Amendment of their own free will and volition. The recitals contained in this Amendment shall be construed to be part of the operative terms and provisions of this Amendment. This Amendment has been negotiated at arm's-length and in good faith by the parties hereto.

Section 11. Payment of Expenses. In accordance with Section 9.03 of the Existing DIP Credit Agreement and Section 2(e) of the Interim DIP Order, each Borrower severally and jointly agrees to pay or reimburse the Administrative Agent and Lenders for all of their costs and expenses incurred in connection with the development, preparation and execution of, this Amendment and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of counsel to the Administrative Agent and Lenders.

Section 12. **ENTIRE AGREEMENT.** **THIS AMENDMENT, THE AMENDED DIP CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HEREWITH REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR**

SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

Section 13. Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 14. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties to the Amended DIP Credit Agreement and their respective successors and assigns permitted thereby.

Section 15. Required Lender Direction. Each of the Lenders party hereto (constituting at least the Required Lenders) hereby (a) authorizes and directs WTNA in its capacity as the Administrative Agent, to acknowledge this Amendment, (b) acknowledges and agrees that WTNA shall be fully protected in relying upon the foregoing authorization and direction (whether pursuant to Section 8.03 or Section 9.02(b) of the Existing DIP Credit Agreement, or otherwise) and (c) reaffirms its obligations under Section 9.03(c) of the Existing DIP Credit Agreement in connection with the foregoing clauses (a) and (b). In acknowledging this Amendment, the Administrative Agent shall be entitled to all of the same rights, protections, immunities and indemnities afforded to the Administrative Agent in the Existing DIP Credit Agreement and the other Loan Documents, as if the same were fully set forth herein. The Administrative Agent assumes no responsibility for the accuracy or correctness of the recitals or any other statements contained herein. The Administrative Agent shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this Amendment and makes no representation with respect thereto.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

FRANCHISE GROUP, INC.

By: _____

Name:

Title:

FRANCHISE GROUP NEWCO PSP, LLC

By: _____

Name:

Title:

**FRANCHISE GROUP NEWCO INTERMEDIATE
AF, LLC**

By: _____

Name:

Title:

VALOR ACQUISITION, LLC

By: _____

Name:

Title:

VITAMIN SHOPPE INDUSTRIES LLC

By: _____

Name:

Title:

AMERICAN FREIGHT GROUP, LLC

By: _____

Name:

Title:

PET SUPPLIES “PLUS”, LLC

By: _____
Name: _____
Title: _____

VITAMIN SHOPPE MARINER, LLC

By: _____
Name: _____
Title: _____

VITAMIN SHOPPE GLOBAL, LLC

By: _____
Name: _____
Title: _____

VITAMIN SHOP FLORIDA, LLC

By: _____
Name: _____
Title: _____

BETANCOURT SPORTS NUTRITION, LLC

By: _____
Name: _____
Title: _____

**VITAMIN SHOPPE PROCUREMENT SERVICES,
LLC**

By: _____
Name: _____
Title: _____

VITAMIN SHOPPE FRANCHISING, LLC

By: _____
Name: _____
Title: _____

**FRANCHISE GROUP INTERMEDIATE HOLDCO,
LLC**

By: _____
Name:
Title:

FRANCHISE GROUP INTERMEDIATE S, LLC

By: _____
Name:
Title:

AMERICAN FREIGHT HOLDINGS, LLC

By: _____
Name:
Title:

AMERICAN FREIGHT, LLC

By: _____
Name:
Title:

**AMERICAN FREIGHT MANAGEMENT
COMPANY, LLC**

By: _____
Name:
Title:

AMERICAN FREIGHT OUTLET STORES, LLC

By: _____
Name:
Title:

HOME & APPLIANCE OUTLET, LLC

By: _____
Name:
Title:

FRANCHISE GROUP NEWCO S, LLC

By: _____
Name:
Title:

AMERICAN FREIGHT FRANCHISING, LLC

By: _____
Name:
Title:

AMERICAN FREIGHT FRANCHISOR, LLC

By: _____
Name:
Title:

FRANCHISE GROUP NEW HOLDCO, LLC

By: _____
Name:
Title:

FRANCHISE GROUP INTERMEDIATE V, LLC

By: _____
Name:
Title:

FRANCHISE GROUP NEWCO V, LLC

By: _____
Name:
Title:

FRANCHISE GROUP INTERMEDIATE B, LLC

By: _____
Name:
Title:

BUDDY'S NEWCO, LLC

By: _____
Name:
Title:

BUDDY'S FRANCHISING AND LICENSING LLC

By: _____
Name:
Title:

AMERICAN FREIGHT FFO, LLC

By: _____
Name:
Title:

FRANCHISE GROUP ACQUISITION TM, LLC

By: _____
Name:
Title:

FRANCHISE GROUP INTERMEDIATE PSP, LLC

By: _____
Name:
Title:

PSP MIDCO, LLC

By: _____
Name:
Title:

PSP GROUP, LLC

By: _____
Name:
Title:

PSP SERVICE NEWCO, LLC

By: _____
Name:
Title:

PSP STORES, LLC

By: _____
Name:
Title:

PSP SUBCO, LLC

By: _____
Name:
Title:

PSP FRANCHISING, LLC

By: _____
Name:
Title:

PSP DISTRIBUTION, LLC

By: _____
Name:
Title:

FRANCHISE GROUP INTERMEDIATE BHF, LLC

By: _____
Name:
Title:

FRANCHISE GROUP NEWCO BHF, LLC

By: _____
Name: _____
Title: _____

FRANCHISE GROUP INTERMEDIATE SL, LLC,

By: _____
Name: _____
Title: _____

FRANCHISE GROUP NEWCO SL, LLC

By: _____
Name: _____
Title: _____

EDUCATE, INC.

By: _____
Name: _____
Title: _____

FREEDOM VCM HOLDINGS, LLC

By: _____
Name: _____
Title: _____

FREEDOM VCM INTERCO HOLDINGS, INC.

By: _____
Name: _____
Title: _____

FREEDOM VCM RECEIVABLES, INC.

By: _____
Name: _____
Title: _____

FREEDOM RECEIVABLES II, LLC

By: _____
Name:
Title:

FRANCHISE GROUP INTERMEDIATE L, LLC.

By: _____
Name:
Title:

WNW FRANCHISING, LLC

By: _____
Name:
Title:

WNW STORES, LLC

By: _____
Name:
Title:

Each Freedom Holdco Debtor hereby joins the Amended DIP Credit Agreement and each of the other Loan Documents as a Guarantor thereunder and agrees to comply with and be bound by all of the terms, conditions and covenants of the Amended DIP Credit Agreement and each of the other Loan Documents as if such Freedom Holdco Debtor were originally named a “Guarantor” therein. All references in the Credit Agreement and the other Loan Documents to “Guarantor” shall be deemed to refer to and include the Freedom Holdco Debtors, individually and collectively.

FREEDOM VCM, INC.

By: _____

Name:

Title:

FREEDOM VCM INTERCO, INC.

By: _____

Name:

Title:

Acknowledged by:

Wilmington Trust, National Association, as the
Administrative Agent

By: _____
Name:
Title:

[_____] , as a Lender

By: _____

Name:

Title:

Schedule 6.17

Milestones¹

1. No later than November 4, 2024, the Loan Parties shall have delivered substantially complete drafts of the First Day Pleadings, the DIP Documents (including the DIP Motion and the proposed Interim DIP Order), the Bidding Procedures Motion, the proposed Bidding Procedures Order, the Plan, the Disclosure Statement, and the Solicitation Materials to the Lender Professionals.

2. No later than November 4, 2024, the Loan Parties shall have delivered a confidential information memorandum in connection with the Sale Process to the Lender Professionals.

3. No later than November 4, 2024, the Loan Parties shall have engaged the Liquidator pursuant to that certain Letter Agreement Governing Inventory Disposition.

4. No later than November 4, 2024, the Petition Date shall have occurred.

5. No later than one (1) day after the Petition Date, the Loan Parties shall have filed with the Bankruptcy Court the First Day Pleadings, the DIP Motion (including the proposed Interim DIP Order), and the Bidding Procedures Motion (including the proposed Bidding Procedures Order).

6. No later than three (3) days after the Petition Date, the Loan Parties shall have filed with the Bankruptcy Court the Plan, the Disclosure Statement, and the Solicitation Materials.

7. No later than five (5) days after the Petition Date, the Bankruptcy Court shall have entered the Interim DIP Order.

8. No later than five (5) days after the Petition Date, the Bankruptcy Court shall have entered an interim order approving procedures for the Store-Closing and Liquidation Sales at American Freight.

9. No later than thirty-eight (38) days after the Petition Date (i.e., December 11, 2024), the Bankruptcy Court shall have entered the Bidding Procedures Order, which shall require, among other things, the submission of any (i) non-binding indications of interest on or before fifty (50) days after the Petition Date (i.e., December 23, 2024) and (ii) Qualified Bids (as defined in the Bidding Procedures) by no later than ninety-two (92) days after the Petition Date (i.e., February 3, 2025) (the “**Bid Deadline**”); provided that the Sale Process shall not be terminated prior to the expiration of the Bid Deadline.

10. No later than forty-five (45) days after the Petition Date (i.e., December 18, 2024), the Bankruptcy Court shall have entered the Final DIP Order.

11. No later than seventy-four (74) days after the Petition Date (i.e., January 16, 2025), the Bankruptcy Court shall have approved the Disclosure Statement and the Solicitation Materials.

12. To the extent at least one Sufficient Bid is received by the Bid Deadline, by no later than ninety-six (96) days after the Petition Date (i.e., February 7, 2025), the Debtors shall commence an auction for the Debtors’ assets in accordance with the terms of the Bidding Procedures Order (the “**Auction**”).

¹ Capitalized terms used in this schedule but not defined herein or in the Agreement shall have the meanings ascribed thereto in the Restructuring Support Agreement.

13. To the extent more than one Sufficient Bid is received by the commencement of the Auction, no later than one-hundred and six (106) days after the Petition Date (i.e., February 17, 2025), the Bankruptcy Court shall have entered the Sale Order.

14. No later than one-hundred and thirteen days (113) after the Petition Date (i.e., February 24, 2025), the Bankruptcy Court shall have entered the Confirmation Order.

15. No later than the earlier of (i) ten (10) days after entry of the Confirmation Order and/or the Sale Order, if applicable (ii) one hundred forty-one (141) days after the Petition Date (i.e., March 24, 2025), the Plan Effective Date shall have occurred and all the Restructuring Transactions (irrespective of whether the Restructuring Transactions occur pursuant to the Plan Transaction or the “Sale Transaction” (as defined in the Restructuring Support Agreement)) shall have been implemented and consummated.

Exhibit 2

Priority	DIP Collateral that constitutes ABL Priority Collateral or that would otherwise constitute ABL Priority Collateral	DIP Collateral that constitutes Term Loan Priority Collateral or that would otherwise constitute Term Loan Priority Collateral	Unencumbered Property	Claims
<u>First</u>	Carve Out ¹ and Permitted Prior Liens	Carve Out and Permitted Prior Liens	Carve Out	Carve Out
<u>Second</u>	ABL Adequate Protection Liens	DIP Liens	DIP Liens	DIP Superpriority Claims
<u>Third</u>	Prepetition ABL Liens	First Lien Adequate Protection Liens	First Lien Adequate Protection Liens and ABL Adequate Protection Liens	First Lien Adequate Protection Claims and ABL Adequate Protection Claims
<u>Fourth</u>	DIP Liens	Prepetition First Lien Liens	Second Lien Adequate Protection Liens and Second Lien Sidecar Adequate Protection Liens	Second Lien Adequate Protection Claims and Second Lien Sidecar Adequate Protection Claims
<u>Fifth</u>	First Lien Adequate Protection Liens	Prepetition Second Lien Liens and Prepetition Second Lien Sidecar Liens		
<u>Sixth</u>	Prepetition First Lien Liens	Second Lien Adequate Protection Liens and Second Lien Sidecar Adequate Protection Liens		
<u>Seventh</u>	Second Lien Adequate	ABL Adequate Protection		

¹ For the avoidance of doubt, the priority of the Carve Out with respect to the ABL Priority Collateral is subject to the use of proceeds as set forth in paragraph 23 of the Final Order.

	Protection Liens and Second Lien Sidecar Adequate Protection Liens	Liens		
<u>Eighth</u>	Prepetition Second Lien Liens and Prepetition Second Lien Sidecar Liens	Prepetition ABL Liens		

Exhibit 3

Updated Budget

(\$ in millions)

Week:	1	2	3	4	5	6	7	8	9	10	11	12	13
Type:	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst
Period Starting	11/30/2024	12/7/2024	12/14/2024	12/21/2024	12/28/2024	1/4/2025	1/11/2025	1/18/2025	1/25/2025	2/1/2025	2/8/2025	2/15/2025	2/22/2025
Period Ending:	12/6/2024	12/13/2024	12/20/2024	12/27/2024	1/3/2025	1/10/2025	1/17/2025	1/24/2025	1/31/2025	2/7/2025	2/14/2025	2/21/2025	2/28/2025
Total Operating Receipts	66.5	65.6	61.1	59.7	51.0	51.3	45.8	45.0	49.5	46.2	46.1	47.6	49.2
Total Operating Disbursements	(64.8)	(47.1)	(58.4)	(50.6)	(56.4)	(45.9)	(33.6)	(55.4)	(56.6)	(53.6)	(38.3)	(46.5)	(53.1)
Net Operating Cash Flow	1.6	18.6	2.7	9.0	(5.4)	5.4	12.2	(10.4)	(7.2)	(7.4)	7.8	1.1	(4.0)
Non Operating Disbursements													
Debt Service	(0.1)	-	-	(0.2)	(8.0)	(0.1)	(14.2)	(0.6)	(0.3)	(5.2)	(0.1)	(0.3)	(0.5)
AF Liquidator Fees	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	-	-	-	-	-	-	-
Other Expenses	-	-	-	(0.5)	-	(1.0)	-	-	-	-	-	-	-
Total Non Operating Disbursements	(0.3)	(0.3)	(0.3)	(0.9)	(8.3)	(1.4)	(14.2)	(0.6)	(0.3)	(5.2)	(0.1)	(0.3)	(0.5)
Total Disbursements Prior to Professional Fees	(65.2)	(47.4)	(58.7)	(51.5)	(64.7)	(47.3)	(47.7)	(56.0)	(56.9)	(58.8)	(38.4)	(46.8)	(53.7)
Professional Fees	-	(0.0)	(10.2)	(12.9)	(2.4)	(2.2)	(2.2)	(5.4)	(2.2)	(2.3)	(2.3)	(2.3)	(5.3)
Total Disbursements	(65.2)	(47.4)	(68.8)	(64.5)	(67.1)	(49.5)	(50.0)	(61.5)	(59.1)	(61.1)	(40.7)	(49.0)	(58.9)
Net Cash Flow	1.3	18.2	(7.7)	(4.8)	(16.1)	1.8	(4.2)	(16.4)	(9.6)	(14.9)	5.4	(1.4)	(9.8)
BOP Cash Balance	131.9	122.1	136.6	197.9	184.2	150.8	153.5	148.1	134.5	123.7	109.8	114.9	117.2
Net Cash Flow	1.3	18.2	(7.7)	(4.8)	(16.1)	1.8	(4.2)	(16.4)	(9.6)	(14.9)	5.4	(1.4)	(9.8)
DIP New Money Draw	-	-	75.0	-	-	-	-	-	-	-	-	-	-
Adequate Protection Account Draw / (Funding)	(11.1)	(3.7)	(6.0)	(9.0)	(17.2)	0.8	(1.2)	2.8	(1.2)	1.1	(0.4)	3.7	(3.2)
EOP Cash Balance	122.1	136.6	197.9	184.2	150.8	153.5	148.1	134.5	123.7	109.8	114.9	117.2	104.2

13-Weeks Fcst	684.5
	(660.2)
	24.3
	-
	(29.6)
	(1.8)
	(1.5)
	(32.8)
	(692.9)
	(49.7)
	(742.6)
	(58.2)
	75.0
	(44.5)
	104.2